

VZCZCXRO9973
PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR
DE RUEHBM #0086/01 0261757
ZNY CCCCC ZZH
P 261757Z JAN 07
FM AMEMBASSY BUCHAREST
TO RUEHC/SECSTATE WASHDC PRIORITY 5900
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 03 BUCHAREST 000086

SIPDIS

SIPDIS

DEPT FOR EUR/NCE AARON JENSEN

E.O. 12958: DECL: 01/25/2017

TAGS: [PREL](#) [PGOV](#) [RO](#)

SUBJECT: PSD,S GEOANA ATTACKS FROM THE REAR, AS TWO PALACES
TRADE CHARGES

REF: BUCHAREST 0065

Classified By: DCM Mark A. Taplin for Reasons 1.4 (b) and (d).

¶1. (SBU) Summary: In one of the rockier political moments since Prime Minister Tariceanu and President Basescu came to power, the opposition parties under Social Democrat leader Mircea Geoana, Conservative Party president Dan Voiculescu and Greater Romania party head Vadim Tudor have initiated moves to suspend the President and censor the government. While their efforts are unlikely to come to full fruition, they are not without political significance and potential peril, particularly for President Basescu. The trigger for the current scandal, following on the heels of Romania's entry into the EU, is - once again - a heated exchange of accusations of corruption and influence peddling between the two palaces. Basescu remains far and away the country's most popular politician, but signs are growing that the rest of the political elite, ranging from the opposition, to the Prime Minister's coterie of anti-Basescu Liberals, to even status quo minded members of Basescu's own party, are reaching for ways of reining in the unpredictable Romanian president. End Summary.

.
A Cover Note Sparks Political Confrontation

¶2. (SBU) The escalating accusations and hostile atmosphere between Prime Minister Tariceanu and President Basescu has entered a new phase of vitriol, spilling over their respective PNL and PD party lines following a scandal touched off on January 13 by former Presidential chief-of-staff and close confidant Elena Udrea. After she was accused in press reports of having pocketed nearly \$100,000 providing legal representation for the state property fund -- without making an appearance in court -- she struck back by revealing on national TV that Prime Minister Tariceanu had sent a "biletsel" or cover note to President Basescu in spring 2005, asking the President to intervene on behalf of energy magnate and Tariceanu ally Dinu Patriciu. The timing of her media assault on the Prime Minister, on the eve of the PM's reelection as Liberal Party president at an extraordinary convention (reftel), could not have been purely coincidental. Udrea, whose saucy persona has led to frequent speculation about the nature of her relationship to President Basescu, related to journalists Basescu's angry reaction to the note, and the evidence of corruption and high-level lawlessness that he said it represented.

¶3. (SBU) Perhaps unwisely, the Prime Minister went immediately to the airwaves himself to insist the note was a fabrication of Romanian secret services to divert attention away from Urena,s own legal problems. Following Tariceanu,s denial, Basescu produced the note, a cover slip on a document about the Rompetrol case which suggested the President raise the issue with prosecutors. Basescu cited the note as evidence of what the President labeled an attempt

to create "a partnership among oligarchs." In conjunction with earlier reports of efforts by the Prime Minister to intervene on behalf of his political ally Dinu Patriciu, including a "surprise" meeting the PM arranged between himself, Patriciu and an unwilling Minister of Justice Monica Macovei, the latest suggestion of an effort by the Prime Minister to protect one of his closest backers was met with loud denunciations and calls for Tariceanu's resignation. Implicitly acknowledging the existence of the note, Tariceanu insisted that it was merely an effort to inform the President about possible illegal activities committed by "state representatives." For his part, Patriciu said that Tariceanu's "initiative" was "personal, friendly and normal," and that the document, along with the note revealed alleged abuses in the investigation, which Patriciu had himself brought to the attention of the Prime Minister, the President and Parliament.

.
The Two Palaces Trade Salvos
.

¶4. (SBU) The Prime Minister and his allies were quick to respond in kind. Conservative Party head Dan Voiculescu, a bitter Basescu critic who left the government over the naming of former Economy Minister Codrut Seres in an "economic espionage" case involving Credit Suisse First Boston, claimed the President had sent a similarly incriminating note to Seres lobbying for a favorable outcome on a privatization case. Others charged the President with improperly influencing the Transportation Ministry in the awarding of a contract to repair the Bucharest-Pitesti highway to a company owned, in part, by Basescu advisor Udrea's husband. In just one illustration of how sharp the exchanges between the two palaces have become, the Presidential press office then issued a communique on January 18, urging the Prime Minister

BUCHAREST 00000086 002 OF 003

to supply evidence in support of his accusations that the President had attempted to "subordinate the government to the interests of the oligarchy from Cotroceni (the Presidential Palace). The communique concluded that if the Prime Minister failed to produce any such evidence, the Presidency would consider the accusations as baseless, and a clumsy attempt to divert the public's attention away from Tariceanu's own failings.

.
From Stage Left: Geoana and the Opposition Intervene.
.

¶5. (SBU) On the heels of the President's communique, opposition Social Democratic Party (PSD) leader Mircea Geoana declared that the President and the Premier were equally guilty in the scandal of "the note," and that both should resign. Geoana argued that the dismissal of the Prime Minister was desirable, but that the PSD would first begin initiating procedures to suspend the President. Following an extraordinary Social Democrat leadership meeting on January 18, the party passed a motion to censor the government and to initiate proceedings against Basescu. The extreme nationalist Greater Romania Party (PRM), led by Vadim Tudor, followed with a statement of support for the PSD's initiative. Voiculescu's Conservative Party (PC) chose to split the difference, condemning the President and defending the Prime Minister. Voiculescu renewed his call for the formation of a new government which would ally it with the PSD and PNL.

¶6. (SBU) At a January 19 briefing for NATO and EU embassies, and in a subsequent meeting with the Ambassador, Geoana outlined his party's view on the political crisis and the Social Democratic response. Geoana said the PSD's two-track policy was first to begin impeachment procedures against Basescu, then to force a vote of no-confidence on Tariceanu so that a new government would be formed either through his resignation or through decisions to replace the government to be made by the interim president (who would, not coincidentally, be Senate President and former post-Communist Prime Minister Nicolae Vacaroiu, a

Ceausescu-era holdover and close friend of Vadim Tudor.) Geoana claimed the PSD was only 10 signatures away from initiating suspension proceedings against Basescu (that is 157 signatures or one-third of the combined Parliament of which the PSD has 147 members). Following "consultation" with the Constitutional Court (Article 95; section 2 of the Constitution), the joint session of Parliament would need to reach a simple majority to suspend President Basescu from office. Following the proposal for suspension, a referendum would be held within thirty days to remove the President from office. Depending on the ruling from the Constitutional Court (which Geoana considers "non-binding"), Geoana said a motion to remove Prime Minister Tariceanu would be introduced. Geoana admitted this was a high-risk strategy, with a limited chance of success, but insisted "the PSD could not in good conscience stand by and watch Tariceanu tear down the government nor watch Basescu grab additional power, strengthen his corrupt oligarchy, and become another Putin." Geoana added that the PSD would move for an emergency session of Parliament the following week to begin the formal process.

¶7. (SBU) In the wake of Geoana's sudden move, which caught Basescu's Democrats and at least some Liberals by surprise, the unbridled political war chants between the palaces began to cool down, at least somewhat. Democrat Party President and Cluj Mayor Emil Boc announced that the PD executive board had concluded there were no strong reasons to leave the Alliance at this time. PNL spokespersons likewise tried to emphasize the Alliance's staying power, insisting that plans were going ahead for the two parties to field a common list for the May European Parliamentary elections as well as the national and parliamentary elections scheduled for 2008. Still, a sour taste lingered on, as suspicion grew in Democratic ranks that the PSD impeachment effort had the tacit support of the Prime Minister and his handlers. The Prime Minister's own assurances of fealty to the coalition were hardly convincing, as he suggested that while the impeachment effort against Basescu was not justified "at present," much depended on the President's conduct in the future.

¶8. (C) Comment: The initial reaction to the Social Democrat's move against Basescu, which at first was greeted dismissively, shifted into a more nuanced outlook, especially after people on the Bucharest political scene began to do the arithmetic and sized up the degree of coordination behind the scenes among the opposition Social Democrats and their situational allies like Tudor and Voiculescu. Normally reliable sources, like Liberal Democrat Mona Musca, take the threat to the Romanian president, and to the country's

BUCHAREST 00000086 003 OF 003

political stability, seriously enough, and it was clear to us in the Ambassador's January 25 meeting with Basescu (septel) that he feels the same way. Odds are still that Geoana's gambit will lose steam, and it is entirely possible that he will only accomplish one-quarter of what he is hoping. Yet he hastens to add that that would be enough, and would serve as a signal to the President that he cannot ride roughshod over his political opponents and their considerable ambitions and business interests.

¶9. (C) However strong the rhetoric, neither the PD nor the PNL seem to have the stomach for early elections, a factor that the Social Democrats may be counting on. The other factor at play is an emerging gap between Basescu and the leading figures in his own party -- key political players like Boc, Bucharest Mayor Videanu, and Interior Minister Vasile Blaga. To a man, they are reportedly unenthusiastic about the type of confrontational politics that the President relishes. One prominent young Liberal Democrat, who was forced out of Tariceanu's Liberal party last year, commented that all of Basescu's ministers recognize that their political days are limited, and that they will probably not have another shot at being minister if they leave prematurely in early elections or another scenario. Both Musca and

several other sources close to President Basescu confirmed that, increasingly, Basescu's Democrats were steering clear of political strategy sessions with the President, and focusing on compromise and damage control behind his back. This, perhaps more than the latest political maneuvering of Basescu's growing collection of archenemies, might have negative consequences for his ability to shape political developments on the ground and push forward his populist message. End Comment.

TAUBMAN